

The Hyelm Group

Chair and Chief Executive's Review

Year Ending 30th September 2016

Introduction

The Board has adopted a new and ambitious Strategic Plan for the three years to 2019. The three key objectives are:

- Using the sale proceeds of our Hampstead property, to develop and provide high standards of contemporary, affordable, rented accommodation, facilities and services for a further 250 young people in two or more new housing schemes in great London locations.
- To continue to manage our existing operation in an efficient and effective manner during the development process and beyond.
- To promote positive, stable, safe environments in each of our schemes, ensuring that the sense of place and family and the supportive communities that we promote, which are so fundamental to what we do, are kept as we move from old to new.

The Plan followed on from research, which confirmed that:

- There remains a considerable and growing demand for the type of accommodation and services that we provide.
- We are the only organisation in London that sets out specifically to meet the housing needs of young people in entry level employment roles who have no support needs and who are unable to stay within the family network.

A copy of our Strategic Plan can be viewed by visiting the Documents Library section of our website.

Development

A considerable amount of work was done during the year, in accordance with our new Plan, to identify suitable sites on which to develop.

Although evidence is available, which indicates that the London Prime and Hampstead top-end property markets peaked and fell after our Hampstead property was sold, land markets in London have, in general, remained highly challenging, due to a healthy appetite from international investors and the private sector, especially for a charity such as ours, which has a duty to demonstrate value for money in any purchase that it makes.

In view of this and the difficulties that we were experiencing in securing suitable sites, the Board decided, during the year, to take a more aggressive approach to the offers that it was making in order to become more competitive.

Legal advice was obtained to ensure that this could be done in pursuance of our charitable objectives and, in particular, to confirm that our offers did not, necessarily, have to be supported by traditional Red Book valuations.

More than 50 sites have been considered to date. The majority of the offers that we have submitted have been unsuccessful, primarily due to us having been out-bid. A further number of more promising opportunities have either fallen through or were not considered by our Board to be fully suitable.

A deal has, however, now been agreed in relation to one large opportunity, which will provide us with an additional 150 bed-spaces.

The site is located in the Woolwich Town Centre area of London and is a joint venture partnership with a major development company and a housing association.

Woolwich is an historic town and a vibrant new regeneration area within the capital. Set on the Thames and with a wealth of high quality services and facilities, it benefits from major new transport infrastructure, including the Docklands Light Railway and Crossrail, which by 2019, will bring the City and the West End within easy reach.

Affordability

Our rents are now set at levels that are comparable with rents considered by the Mayor of London to be affordable to those earning the London Living Wage. The London Living Wage is currently £9.75 per hour.

Bed-spaces at our Old Street scheme continue to be allocated to those who fall within our resident selection criteria who are in greatest need.

Information and advice continues to be provided to all of our residents to enable them to move on to more permanent housing within five years of their arrival.

Further information on our current rent and service charge levels can be found in the Old Street Rent section of our website.

Value for Money

A key objective of our new Strategic Plan is for our performance in the areas of finance and service delivery to be, at least, comparable with the top quartile performances of our peers within the small charity and housing association sectors.

Challenging targets continued to be set and monitored by the Board in this regard.

Performance data continued to be obtained from the G320 group of smaller housing associations in London and the Homes and Community Agency for benchmarking purposes.

Further information on our approach to, and performance in, the delivery of Value for Money can be found in our latest Self-assessment statement, a copy of which can be found in the Documents Library section of our website.

Treasury Management

A specialist firm of treasury management advisors, Savills UK, continued to be retained during the year to advise us on the safe and efficient investment of the sale proceeds of our Hampstead property pending their reinvestment in our new schemes.

The aim is to achieve the most appropriate balance of risk, reward and access to our funds throughout the development process.

On-going advice also continued to be obtained on our borrowing requirements for the future to ensure that the best possible terms in any future private sector borrowing that we take out are achieved.

A Treasury Management policy and strategy has been adopted by our Board to provide a suitable governance framework and further guidance on treasury management matters.

Strategic Partners

Good progress continued to be made through partnership working during the year to support the needs of young people and to enhance the sense of place and community within our Old Street scheme.

Existing links with The Stephen Lawrence Charitable Trust, Springboard, St. Mungos Broadway, Five Guys Burger & Fries, KM Decorating, House of St. Barnabas, The 1up Foundation and LB Hackney were maintained.

New relationships were forged with The Metropolitan Police, The Prince's Trust, Barclays Bank, Metropolitan Housing, Alexander Boyd, The Realstar Group, Amy Swinnerton & Associates, Teachers Housing Association and LB Islington.

These partnerships enabled a number of young people to benefit from the affordable accommodation and stable communities that we provide and to make further progress on their pathways towards full independent living.

Training sessions were also given in employment and life skills, financial budgeting, interview techniques, welfare benefits and housing move-on options within the capital. A programme of organised social events and activities was delivered.

An additional five young people were housed by us at our Old Street scheme during the year through referrals from our partner organisations.

Profile

Keith and his team continued to raise the profile of our charity by attending a variety of sector conferences, seminars and events during the year.

A close involvement was maintained, in particular, with the G320 group of smaller housing associations in London.

The relationships that we formed last year with our local MP and Chair of the Public Accounts Committee, Meg Hillier, and the Mayor of LB Hackney, Philip Glanville, were further strengthened.

The contacts that we made with the 50 or so organisations that work with young people, as part of the research that we carried out in support of our new Strategic Plan, were maintained.

Meetings were held and visits were made to our Old Street scheme by senior representatives of the Greater London Authority, the National Housing Federation, LB Ealing, RB Greenwich, LB Lewisham and a number of developing housing associations and private developers.

The Mayor of London and the local authorities with which we have formed relationships have since confirmed their support for the work that we do and for our plans for the future.

We are now also working closely with the development directors of a number of developing housing associations and private development companies with a view to pursuing joint venture partnership deals.

In addition, the National Housing Federation has now agreed to assist us in our promotion by publishing articles about us once we have exchanged contracts on the first of our new development schemes.

Our website, which now attracts over 6,000 views each year otherwise continued to be kept up-to-date with rolling news articles and information about the work that we do.

Regulation

A new set of regulatory performance standards, with which all housing associations are expected to comply, was introduced by our lead regulator, the Homes and Communities Agency, during the 2015.

Much work has been done since then to research and understand the implications of the new requirements and to comply with them in full.

Positive relationships otherwise continued to be maintained with all three of our regulatory bodies, the Homes and Communities Agency, the Charity Commissioners and Companies House.

Audit

It was reported at last year's Annual General Meeting that our external auditor, Grant Thornton, had advised us of its intention to stand down from its role as the fee that it received for its audit work was no longer profitable.

Accordingly, a tender process was subsequently followed, which led to the appointment of Kingston Smith LLP during the year.

The external audit in relation to the year has since been completed with no concerns arising. Clean reports were also received from our internal auditor, Mazars.

Operation

A new reporting framework was introduced at this stage last year to enable our Board to better monitor the performance of our charity.

This included a fresh set of key performance indicators and more relevant information on the performance of our peers for benchmarking purposes.

A key new policy was also adopted to make our accommodation and services available to more young people in need by moving on those of our residents who had lived at our Old Street scheme for more than five years.

Although this policy began to be successfully implemented during the year, an impact was that levels of resident satisfaction fell.

An otherwise healthy set of results in relation to the year demonstrated our continued strength in management and service delivery.

These are outlined in greater detail in our most recent Annual (Performance) Report, a copy of which can be found in the Documents Library section of our website.

The quality and standard of our housing stock, facilities and services remained high. Great emphasis continued to be placed on maintaining a stable, safe and homely environment.

Challenging performance indicators will continue to be set and monitored by the Board during the forthcoming year.

Staffing

We continue to retain a staffing complement of seven to manage the day-to-day operation and to drive forward the delivery of our development programme.

Our Executive Management Team comprises Chief Executive & Company Secretary, Keith Douglas, Director of Finance, Mark Sharman (part-time) and Director of Operations, Simon Wright. Fred Bawua-Anipah provides central management support as our Finance Officer.

The Old Street Management Team comprises Scheme Manager, Gillian Oman and Duty Managers, Phillip Lloyd and Sheridan Orr.

A further review of our staffing requirements will take place as soon as suitable sites have been secured and precise size, nature and locations of our new schemes are known.

Our thanks go to all of our staff, whose commitment and dedication were the keystones to another successful year.

Governance

It is vital for the continued health and progress of our organisation and from the point of view of our regulators that our Board and governance arrangements reflect best practice guidelines and are of the highest standards at all times.

With this in mind, our Board has adopted and complies with all relevant aspects of the National Housing Federation's most recent codes on best governance practice and conduct. Hyelm is a member of the Federation.

In addition, a biennial Board and Board member appraisal process is now followed. This is supported by governance development and succession plans, which continue to be kept under review.

Further information on the membership and composition of our Board is given our most recent Annual (Performance) Report, a copy of which can be found in the Documents Library section of our website.

We would like to express our continual appreciation to all members of our Board who contributed their time and effort during the year in performing their duties.

Summary

The Hyelm Group has a very positive story to tell in relation to its performance, plans and the quality of the accommodation and services that it provides.

Our development plans present a further exciting opportunity to expand the work that we do.

We are confident that our charity remains well placed to meet the challenges of our development and other plans and of the particularly challenging economic, funding and political environments in which we now live.

We are equally confident that, in the years to come, we will continue to make a real difference to the lives of those whom we set out to house by strengthening our position as a modern, dynamic, well run, financially sound and forward looking organisation that closely involves, understands and responds to the needs of young people.

**Rebecca Begej,
Chair**

**Keith Douglas,
Chief Executive.**

12th April 2017.